

Recording and Depositing Receipts

Objective

To ensure all state receipts are properly safeguarded, promptly deposited, and appropriately recorded in the Minnesota Accounting and Procurement System (MAPS).

Policy

[Minnesota Statutes Section 16A.275](#) requires state agencies to deposit all receipts daily, unless total receipts are less than \$250.00 or a waiver has been granted by the Minnesota Management & Budget (MMB).

State agencies are responsible for properly securing, depositing, and recording all funds received. Bank deposits and MAPS Cash Receipt (CR) transactions must be processed on the same business day. Agencies are responsible for accurately recording the following information in MAPS:

- DEPOSIT DATE-Must correspond to the actual date the receipts were deposited.
- BUDGET FISCAL YEAR-Must match the correct budget fiscal year for proper revenue recognition.
- DOCUMENT TOTAL-Must reconcile to the bank deposit slip.
- DOCUMENT LINE-Must provide the appropriate information as outline below:
 - When receipt **does not relate** to a MAPS Advanced Receivable System (ARS) transaction, the correct account string information must be entered for the line.
 - When the receipt **relates** to a MAPS ARS transaction, and the agency uses the **INVOICES** or **BOTH** options for invoicing, the accounts receivable (RE) reference number must be entered for the line.
 - When the receipt **relates** to a MAPS ARS transaction, and the agency uses the **STATEMENT ONLY** option for invoicing, either the accounts receivable (RE) reference number; or the customer number and billing profile number must be entered for the line.

State agencies must develop internal policies and procedures to ensure compliance with Minnesota state law and statewide policies.

MMB encourages agencies to utilize MAPS ARS whenever possible; limiting the use of subsystems to situations where MAPS ARS does not meet program needs. For additional information on accounts receivable, see [Policy 0104-03, Financial Reporting of Accounts Receivable](#) and [Policies - Chapter 5 - Accounts Receivable](#).

Definitions:

Accounts Receivable- Amounts payable to the state by individuals, governmental units and other entities.

Accounts Receivable Recognition for financial statement purposes (GAAP)- Recognition of accounts receivable at fiscal year-end in accordance with generally accepted accounting principles (GAAP) includes:

- 1) amounts billed as of fiscal year-end for goods and services provided by fiscal year-end,
- 2) amounts for goods and/or services that have been provided by the state at fiscal year-end, but not billed as of fiscal year-end, and,
- 3) amounts due to the state that are based on underlying transactions that have taken place by fiscal year-end, such as income tax based on income earned before fiscal year-end.

Additional information on this topic is covered under [Policy 0104-03, Financial Reporting of Accounts Receivable](#).

Budget Fiscal Year- The year in which a budget was established for a particular program or activity. The budget fiscal year is usually the same as the accounting fiscal year with the exception of the period after **June 30th to fiscal year close**.

Comprehensive Annual Financial Report (CAFR)- Annual financial report for the State of Minnesota published by MMB's financial reporting unit.

State depository bank (Bank)- Local bank used to deposit state funds. All depository banks must be approved by MMB in accordance with [Policy 0601-01, New Deposit Accounts](#).

Cash Receipt Wire Transfer Documents (CRW)- Electronic wire transfers to a separate bank account at the Treasury. See [Policy 0602-05, Recording and Depositing Electronic Transfers \(CRWs\)](#) for additional detail.

MAPS Cash Receipts (CR) Date Fields:

Acceptance Date- Date transaction accepted into MAPS. This is a system assigned date.

Deposit Date- Date receipts were deposited with MMB's Treasury Division or an authorized state depository bank. The corresponding date field in the Information Access (IA) Warehouse is the **RECORD_DT** field.

General Procedures

Deposit Process:

Agencies must ensure that receipts are properly deposited and recorded accurately in MAPS. As part of that process, agencies must do the following:

- Deposit all receipts with a state depository bank or for offices located on the capital complex, the DOF's Treasury Division.
- Complete the MAPS-CR transaction and bank deposit on the same business day, **ensuring the bank deposit is completed first.**

This process enables the state to effectively manage short-term investments, avoid potential overdrafts, and assist DOF in completing several daily reconciliations with fewer outstanding discrepancies.

- Complete and reconcile both the bank deposit slip and MAPS Cash Receipts (CR) document (MAPS Form # [FI 00515-01](#), [FI 00516-01](#), or a similar input form) prior to depositing the receipts. The reconciliation process must include the following:
 - The daily receipt log to actual receipts.
 - The bank deposit slip to actual receipts.
 - The bank deposit slip to the MAPS CR document.

For Treasury deposits, agency records, and, if required by the agency's bank, a calculator tape verifying the total individual receipts must be attached to the bank deposit slip.

The MAPS CR document is used for MAPS coding and serves as an audit trail for the agency. See [MAPS Cash Receipts Training Manual-AP760](#) for additional information and procedures for processing CR transactions.

- When entering CR transactions, populate the **DEPOSIT DATE** field with the actual date that the corresponding receipts were deposited in the bank. **Do not allow** this field to default to the current date; staff should always enter the correct date. When processing CR transactions through a Common Inbound Transaction Architecture (CITA) Interface the **DEPOSIT DATE** and **BUDGET FISCAL YEAR** fields must be populated with the correct data and not allowed to default.
- Review the MAPS document-listing screen (SUSF) daily to ensure all CR transactions were processed correctly. Review transactions in **reject** status and take appropriate corrective action.
- Reconcile all daily bank deposit slips and MAPS CR documents to MAPS in a timely manner as defined by internal agency policies. Several reports in Document Direct including Report GFA900- "Receipt by Deposit Report" are available to assist agencies with this reconciliation.
- Reconcile deposit records to MAPS monthly. Several reports in Document Direct including "Receipts by Deposit (End of month)" are available to assist agencies with this reconciliation.
- Follow [Policy 0601-01, New Deposit Accounts](#) when modifications are necessary. Ensure that NSF checks are processed in a timely manner. See [Policy 0602-07, Returned Checks](#).

- If MAPS is not available due to system problems or other business interruptions, agencies should do the following:
 - Deposit receipts in the bank or DOF Treasury daily in accordance with statute and statewide and agency policy.
 - Retain all deposit entry forms from the day that MAPS went down until MAPS is restored. It is likely that some data entered into MAPS on the day it went down will not be recoverable.
 - When MAPS becomes available, process all deposit entry forms within one business day into MAPS. Cash receipt transactions must be processed in MAPS in the same order that they were deposited.

Revenue Recognition- Posting to the Correct Budget Fiscal Year:

GAAP requires revenue to be recognized when measurable and available. When processing CR transactions, the BUDGET FISCAL YEAR field determines the posting of revenue for GAAP reporting. Receipts need to be properly coded to the correct budget fiscal year so that the state's financial activity and position reported in the CAFR are not misstated.

Agency personnel must initially review each receipt to determine if it is a payment towards an open MAPS Receivable (RE). If not, staff must determine the appropriate budget fiscal year.

- **Cash receipt (CR) transaction references an Accounts Receivable (RE transaction):**

In most cases, agencies should not change the budget fiscal year when cash receipts reference an RE. MAPS processes the cash receipt to the same budget fiscal year established for the accounts receivable (RE), if the RE appropriation is still open.

If the appropriation is no longer open, MAPS codes the receipt to the current budget fiscal year. This process is inconsistent with GAAP revenue recognition requirements for governmental funds. When the appropriation is no longer open and the amount is determined to be material, agency personnel must contact MMB's financial reporting unit, so necessary adjustments can be made to the CAFR.

- **Cash receipt does not reference an RE transaction:**

Agency personnel must enter the correct budget fiscal year for all receipt transactions. This is especially critical during the fiscal year close period. The CR will automatically default to the **current budget fiscal year** if the budget fiscal year field is **left blank**. Agencies must determine during the fiscal year close period if funds received were for services provided or goods delivered prior to July 1. If so, the receipt must be coded to the prior open budget fiscal year. During the close period, all revenue for prior budget fiscal years should also post to the oldest open budget fiscal year, rather than the current budget fiscal year.

Other Issues Regarding Revenue Recognition:

- Revenue **must** always be recognized in accordance with GAAP, unless otherwise established by law. If funds are needed in the current budget fiscal year, agencies should complete a balance forward document and submit it to the appropriate executive budget officer at DOF for approval. (Only those appropriations with budget authority G or O should be submitted for manual balance forward. See [Policy 0305-01, Balance Forward Amounts](#)). In addition, agencies receiving federal funds after the end of the budget fiscal year close must follow [Policy 0306-05, Deposit Receipts After Close for Federal Encumbrances](#). Questions on this issue should be directed to the agency's executive budget officer (EBO).
- Some agencies submit receipt and receivable information for the CAFR directly to DOF's financial reporting unit due to complexities with their subsystems' interface with MAPS. If there are situations where the above process cannot be followed due to technical complexities in MAPS and the receipts amount is material, contact DOF's financial reporting unit.
- After July 1 and prior to fiscal year close, receipts from prior budget fiscal years must be processed using a separate CR for each budget fiscal year.

Examples of accounts receivable and appropriate budget fiscal year to use:

For further discussion, see [Policy 0104-03, Financial Reporting of Accounts Receivable](#).

Licenses and Permits: In most cases, these revenues are recognized on a cash basis. The budget fiscal year entered into MAPS is the year that the funds were received. However, there are exceptions. For example, fishing and hunting license fees issued to retailers and later submitted to the Department of Natural Resources (DNR) are recognized in the time period that the retailer received the license fees. If DNR did not receive the fees until July, but the retailer collected the fees in June, the receipts are reported in the prior budget fiscal year. If DNR sold the licenses, the fee is reported in the budget fiscal year the funds were received.

Penalties/court fines: According to the Governmental Accounting Standards Board (GASB), undisputed court fines are recorded as a revenue as of the day the fine is paid, not the date the traffic ticket, etc., is issued. In this case, the budget fiscal year used should reflect the year that the fine is paid. Disputed fines are recognized when the appropriate legal authority rules that the fine is valid or legally enforceable.

Sale of Goods or Services: Revenue is earned at the time the goods are delivered or the service is completed. For example, an agency may sell goods to the public on June 30th, but may not receive the funds until July 15th. These sales are considered revenue as of June 30th and should be recorded in the prior budget fiscal year in MAPS.

Agency Policies and Procedures:

Agencies must develop policies and procedures to ensure that receipts are properly safeguarded, deposited and recorded in MAPS and that adequate separation of duties exists. These duties must be separated as much as possible or other mitigating controls must be in place to ensure that receipts are properly safeguarded. Agencies must address the following internal control functions:

- The same employee should not complete the following duties: establish and maintain accounts receivable records, open mail and receive cash or checks, prepare deposits for the bank, or enter receipts into MAPS.
- Agencies must maintain a check log or similar documentation which includes sufficient information to ensure all receipts received are deposited and, if the need arises, the ability to reconstruct a deposit, i.e. check lost in transit or by the bank.
- Mail receipts must be deposited intact as received. Receipts are not to be used for making change or using for petty cash.
- An independent employee must review and approve the daily deposits before making the bank deposit.
- An independent employee must reconcile the deposits to MAPS monthly ensuring that receipts have been deposited in the correct amount to the correct MAPS accounts.
- If the agency has a licensing system, the agency must ensure that procedures are in place to prevent issuing licenses without the correct payment amount.
- All receipts must be restrictively endorsed upon receipt.
- Receipts should be properly safeguarded until deposited.
- When funds are received throughout the day, the agency may establish a **cut-off time** for the daily deposit. All funds received after the designated time must be included in the following day's deposit. For example, all funds received by 1:00 p.m. are deposited the same business day. Funds received after 1:00 p.m. are deposited the next business day and must be properly secured until deposited. The cutoff time should be late enough in the day to ensure that most funds received are deposited the same day.

Waivers:

MMB has limited authority to grant daily deposit waivers to agencies. This authority is limited to situations where the cost of making daily deposits exceeds the benefit. See Policy [0602-06, Daily Deposit Waiver](#) for additional information.

Forms:

[FI 00515-01 Cash Receipts \(Accounting View\)](#)

[FI-00516-01 - Cash Receipts \(All Attribute View\)](#)

Procedures

Step #	Actions to be Performed	Responsible Party
1.	Establish internal accounting procedures.	Agency

2.	<p>Properly record and safeguard all funds upon receipt. (For example, the agency must use a check log or similar documentation to record all incoming checks.)</p> <p>Restrictively endorsed all checks upon receipt.</p>	Agency
3.	<p>Prepare bank deposit slip along with MAPS form FI-00515-01 or other similar input form. Reconcile cash and individual checks total with total deposited receipts daily.</p>	Agency
4.	<p>Deliver checks or cash along with a bank deposit ticket to either the bank or the Treasury Division on a daily basis in accordance with agency internal policy. For Treasury Division deposits, attach a calculator tape to the deposit ticket to ensure that the checks and cash equal the bank ticket. For bank depositories, include the required bank deposit documentation for that bank.</p>	Agency
5.	<p>Enter information from FI-00515-01 or similar input form into MAPS after the money is deposited.</p> <p>Determine if the cash receipt references an open accounts receivable account (RE). If so, include the receivable number in the Reference Document area, including Document code "RE". For additional MAPS receipt processing information, see MAPS Cash Receipts Training Manual - AP760.</p> <p>If the receipt does not reference an "RE", determine which budget fiscal year to deposit the funds.</p>	Agency
6.	<p>Retain a copy of the bank deposit ticket and the MAPS entry form for audit purposes.</p>	Agency
7.	<p>Complete the following reconciliations:</p> <p>Reconcile the previous day's bank deposit slips, checks log, and MAPS CR document to MAPS to ensure that the receipts were recorded accurately.</p> <p>Review the document listing in MAPS daily for any transactions in reject status. Analyze each rejected transaction and determine appropriate action. Consult with DOF Agency Assistance or General Accounting staff when necessary.</p>	Agency

	Reconcile total deposits to MAPS monthly.	
8.	Refer all discrepancies identified in the daily Treasury division and General Accounting division reconciliations to the appropriate agency	MMB-Treasury Division/General Accounting
	For agencies unable to process receipts or without access to MAPS:	
1.	Send funds to DOF, Agency Assistance Unit.	Agency
2.	Prepare the deposit slip, deposit the funds with the Treasury Division, complete a CR document and enter the deposit transactions into MAPS. Send monthly MAPS reports to agency so that the agency may verify that receipts are deposited correctly.	MMB-Agency Assistance
3.	Reconcile total deposits to MAPS monthly.	Agency
4.	Refer all discrepancies identified in the daily Treasury division and General Accounting unit reconciliations to the appropriate agency.	MMB-Agency Assistance

See Also

[MAPS Operating Policy and Procedure 0601-01 - New Deposit Accounts](#)

[MAPS Operating Policy and Procedure 0602-04 - Receipt Modification/Correction](#)

[MAPS Operating Policy and Procedure 0602-07 - Returned Checks](#)

[MAPS Operating Policy and Procedure 0306-05 - Deposit Receipts After Close for Federal Encumbrances](#)

[MAPS Operating Policy and Procedure 0104-03 - Financial Reporting of Accounts Receivable](#)

[MAPS Operating Policy and Procedures Chapter 5 - Accounts Receivable](#)

[MAPS Operating Policy and Procedure 0602-05 - Recording and Depositing Electronic Transfers \(CRWs\)](#)

[MAPS Cash Receipts Training Manual-AP760](#)

[MAPS Operating Policy and Procedure 0602-06 - Daily Deposit Waiver](#)